AD400-1

The Aluminum Situation

ECONOMICS AND STATISTICS MAY 1991

INDUSTRY NET SHIPMENTS OFF 6.4 PERCENT FROM 1990

Based on preliminary figures for the first three months of 1991, net shipments totaling 3,705 million pounds, decreased 6.7 percent from the first three month 1990 total of 3,971 million pounds. Domestic shipments, totaling 3,064 million pounds, declined 6.4 percent from the 1990 total of 3,273 million pounds.

U.S. exports of aluminum ingot and mill products totaled 641 million pounds during the first three months of 1991, a decrease of 8.2 percent from the first three month 1990 total of 698 million pounds.

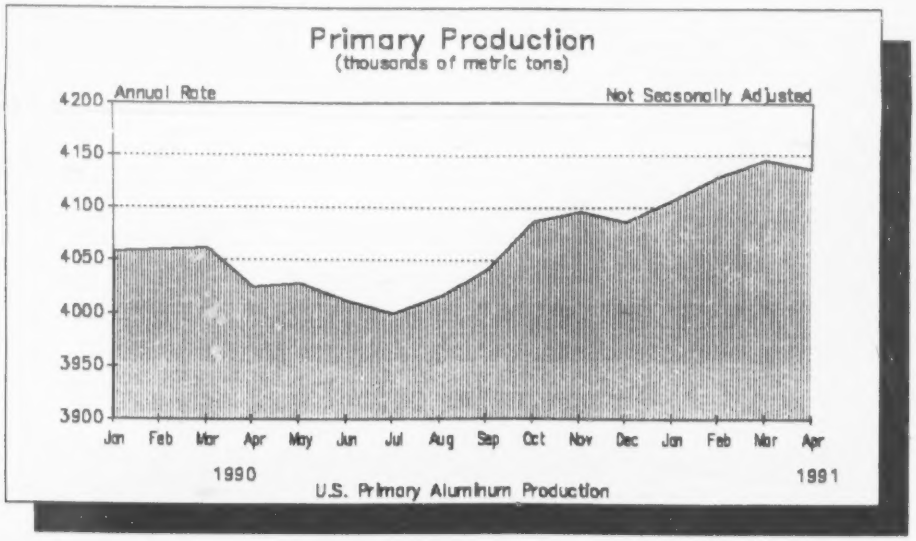
THRU MARCH 1991

	1991 3 Mos.	1990 3 Mos.	% Change
Mill Products	2,977	3,256	-8.6
Ingot	728	715	1.8
Total	3,705	3,971	-6.7
Less Exports	641	698	-8.2
Domestic Total	3,064	3,273	-6.4

Figures in Millions of Pounds
Source: Bureau of the Census
U.S. Department of Commerce

APRIL PRODUCTION AVERAGES 11,333 METRIC TONS PER DAY

U.S. primary aluminum production averaged 11,333 metric tons daily during April 1991. This compares with an average of 11,028 metric tons a day in April 1990 and 11,356 metric tons a day in March 1991. The annual rate of production in April 1991 was 4,136,448 metric tons compared with 4,025,050 metric tons in April 1990 and 4,144,999 metric tons in March 1991. Production in April 1991 totaled 339,982 metric tons.



This report contains information reported to the Association by the domestic producers, which is aggregated by the Association. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

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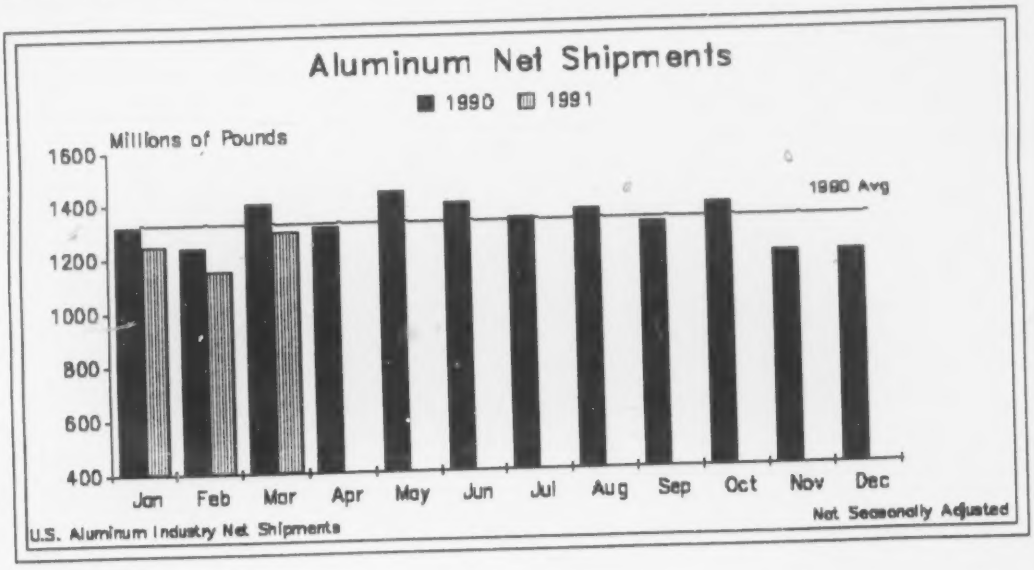
MARCH SHIPMENTS INCREASE 12.4 PERCENT OVER PREVIOUS MONTH

According to Bureau of the Census reports, March industry net shipments totaling 1,299 million pounds increased 12.4 percent from the previous month's revised total of 1,156 million pounds. Compared to the previous year, reported industry net shipments of 3,705 million pounds declined 6.7 percent from the 1990 total of 3,971 million pounds. During the first three months, Census reported that producer shipments of aluminum rod, bar and wire, totaling 61 million pounds have declined 27.7 percent from the previous year, and shipments of sheet, plate and foil totaling 1,966 million pounds decreased 3.9 percent. Shipments of extruded shapes and tube, totaling 533 million pounds, declined 17.7 percent.

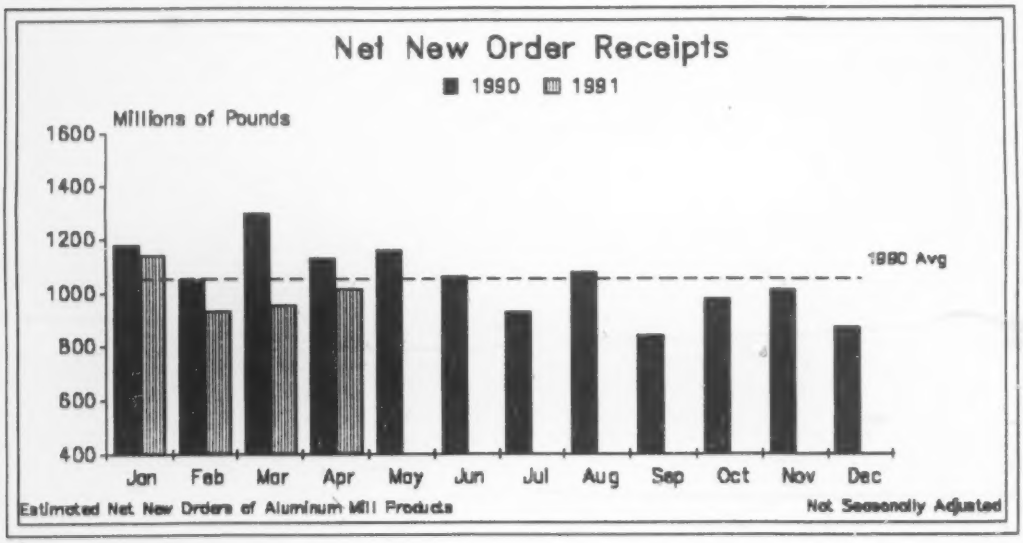


NET SHIPMENTS (Millions of Pounds)	1991 March	1990 March	1991 3 Mos.	1990 3 Mos.	% Change 1991 vs 1990
Sheet	594.1	620.3	1,695.9	1,746.3	-2.9
Plate	24.5	24.0	69.2	65.4	5.8
Foil	63.1	85.9	201.2	234.8	-14.3
Rod,Bar & Wire	18.7	32.1	61.2	84.6	-27.7
Elec. Conductor	47.7	56.4	147.2	147.9	-0.5
Extruded Shapes,Tube	179.6	228.8	533.2	647.6	-17.7
Powder & Paste	9.6	8.3	24.0	21.5	11.8
Forgings & Impacts	12.4	13.8	35.2	38.9	-9.3
Net Imports of Mill Products (Total) (a)	68.6	92.7	209.6	269.0	-22.1
Total Mill Products	1,018.2	1,162.4	2,976.8	3,255.9	-8.6
Ingot	280.9	243.8	728.2	715.1	1.8
TOTAL INDUSTRY SHIPMENTS	1,299.1	1,406.2	3,705.0	3,971.0	-6.7
Exports	196.6	210.0	641.2	698.4	-8.2
TOTAL DOMESTIC SHIPMENTS	1,102.5	1,196.3	3,063.8	3,272.7	-6.4

Source: Bureau of the Census, U.S. Department of Commerce - CIR M33-D
Note: Cummulative data includes revisions for previous periods
(a) Not included in product data above.

APRIL ORDERS ESTIMATED AT 1,018 MILLION POUNDS

Estimated net new order receipts of aluminum mill products for April 1991 totaled 1,018 million pounds, an increase of 1.1 percent from the revised March 1991 total of 956 million pounds. Year-to-date industry order receipts were estimated at 4,050 million pounds, down 13.1 percent from the 1990 total of 4,663 million pounds.



ORDER RECEIPTS (Millions of Pounds)	1991 April	1990 April	1991 4 Mos.	1990 4 Mos.	% Change 1991 vs 1990
Sheet & Plate, Other	323.9	401.8	1,179.4	1,563.3	-24.6
Can Stock (a)	356.9	333.1	1,438.1	1,443.0	-0.3
Foil	71.1	85.5	294.4	377.6	-22.0
Bar, Rod & Wire	37.3	45.1	152.7	198.5	-23.1
Electrical Conductor	47.6	43.4	203.1	168.3	20.7
Extruded Shapes & Tube	163.1	202.1	697.0	825.6	-15.6
Powder & Paste	7.8	11.2	45.7	42.8	6.8
Forgings & Impacts	10.0	9.6	39.8	44.2	-10.0
Total Mill Products	1,017.7	1,131.8	4,050.2	4,663.3	-13.1

Source: The Aluminum Association estimates total industry orders (including orders for imports) based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available on a subscription basis.
Note: Cummulative data includes revisions for previous periods.
(a) Domestic only. Orders for exports of Can Stock are included in Sheet and Plate, Other.

PRODUCER INVENTORIES INCREASE 110 MILLION POUNDS

Reported producer inventories increased in March 1991 to a reported total of 4,279 million pounds. This represents a 110 million pound increase from the revised February level of 4,169 million pounds.

Month-End Aluminum Producer Inventories
(Millions of Pounds)

	Total	Ingot	Scrap	All Other
January	4,068	1,354	580	2,133
February	4,169r	1,441r	584r	2,144
March	4,279	1,614	574	2,090

Source: Bureau of the Census, U.S. Department of Commerce.

CUSTOMER INVENTORIES REPORTED AT 33.1 DAYS

Respondents to the Association's Customer Inventory Survey reported that their Average Days Inventory as of March 31, 1991 was 33.2, a decline of 0.3 percent over inventories reported at the end of February.

Month-End Aluminum Customer Inventories
(Average Number of Days)

January	33.9
February	33.1
March	33.2

Source: Aluminum Association - Customer Inventory Position Survey

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U.S. IMPORTS & EXPORTS (Millions of Pounds)		1991 March	1990 March	1991* 3 Mos.	1990 3 Mos.	% Change 1991 vs 1990
Imports	Mill Products	68.6	92.7	209.6	269.0	-22.1
	Ingot	185.9	189.4	536.5	537.3	-0.2
	Total	254.5	282.1	746.1	806.3	-7.5
	Scrap (+ dross)	37.7	36.3	102.3	130.6	-21.7
	Grand Total	292.2	318.4	848.4	937.0	-9.5
Exports	Mill Products	93.1	87.9	281.6	257.7	9.2
	Ingot	103.5	122.1	359.6	440.6	-18.4
	Total	196.6	210.0	641.2	698.4	-8.2
	Scrap	89.9	103.6	318.2	309.7	2.7
	Grand Total	286.5	313.6	959.3	1,008.1	-4.8
Net Imports		5.7	4.8	-111.0	-71.1	56.1

Source: Bureau of the Census, U.S. Department of Commerce.
(*) Cummulative data may include revisions for previous periods